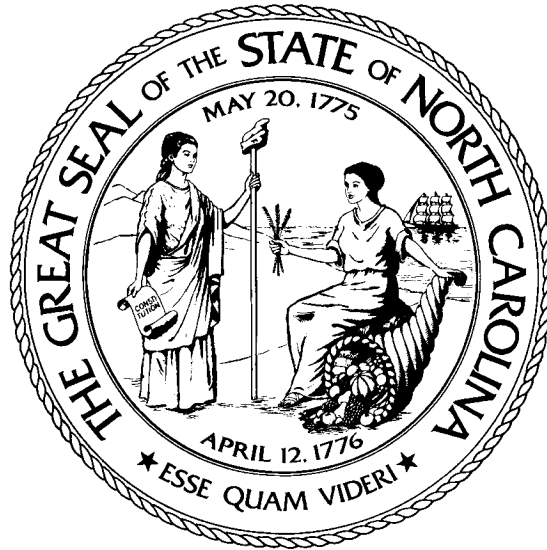

STATE OF
NORTH CAROLINA



Monthly Financial Summary
June 30, 1999

Office of the State Controller

Edward Renfrow
State Controller



State of North Carolina Office of the State Controller

James B. Hunt, Jr.
Governor

Edward Renfrow
State Controller

August 11, 1999

The Honorable James B. Hunt, Jr., Governor
The Honorable Ralph Campbell, Jr., State Auditor
The Honorable Harlan E. Boyles, State Treasurer
Mr. Marvin K. Dorman, Jr., State Budget Officer

Gentlemen:

I herewith submit the unaudited financial information for the State of North Carolina's General Fund for the month of June 1999, and the twelve months ended June 30, 1999, with comparative information for the prior year, and the Highway Fund, and the Highway Trust Fund for the month of June 1999, and the twelve months ended June 30, 1999, with comparative information for the prior year. The financial schedules within this report are designed to summarize at an executive level the results of operations for the major funds of the State under the budgetary basis of accounting.

It is my intention that this report provide the fiscal managers of the State an easily readable and informative summary of State operations on a monthly basis. Please contact me if you have questions or comments on the contents of this report or if you would like more detailed information. The Office of the State Controller is committed to providing the fiscal managers of the State with the best financial management information possible.

Sincerely,

A handwritten signature in cursive script, appearing to read "Edward Renfrow".

Edward Renfrow
State Controller

ER:JCB

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DISCUSSION OF OPERATIONS GENERAL FUND

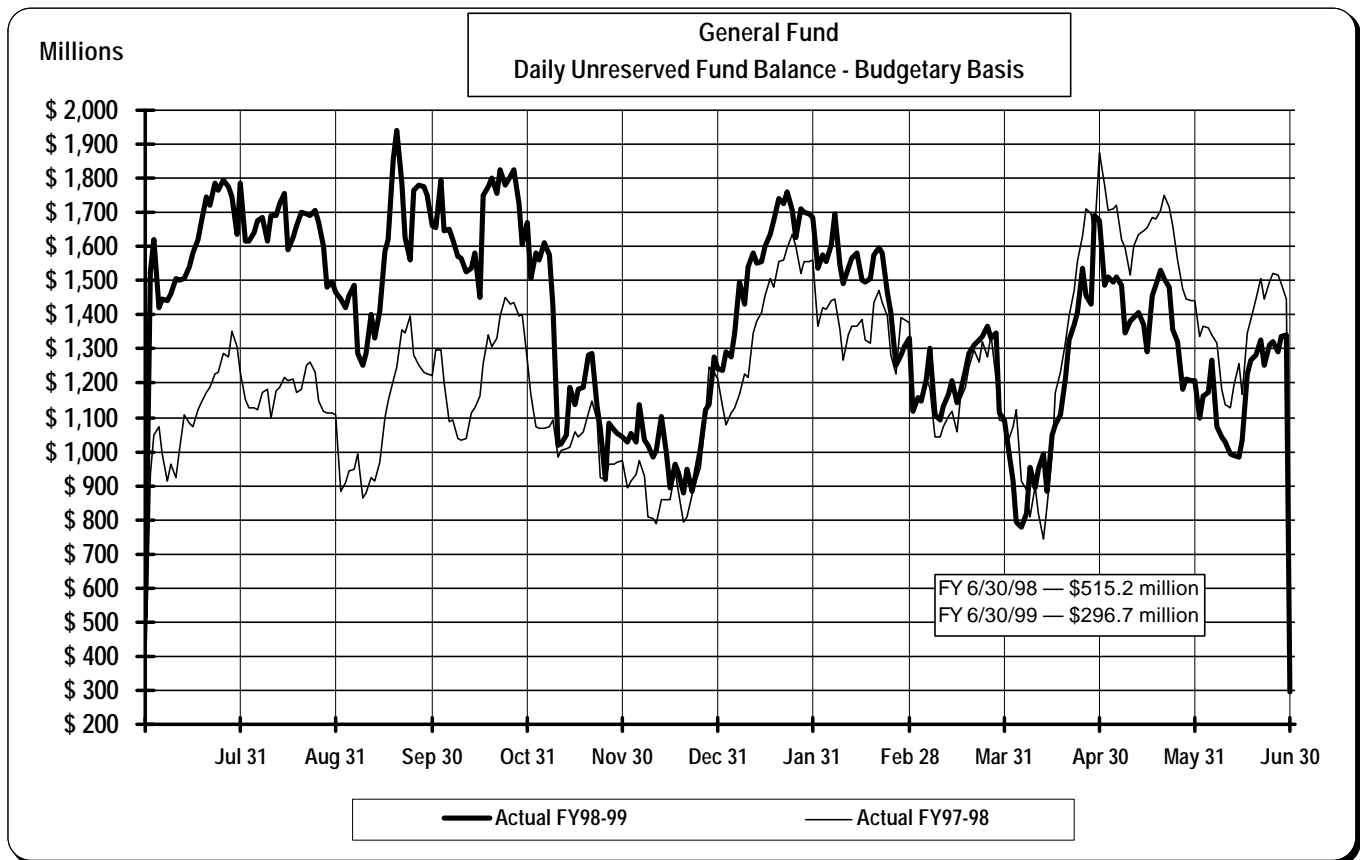
June 30, 1999

FUND BALANCE AND CASH FLOW

North Carolina is required by statute to maintain a balanced general fund budget on an annual basis. The annual budget as appropriated by the General Assembly is considered balanced on a cash basis when the year-end fund balance is greater than zero.

During the fiscal year fund balance is calculated by adding the beginning available cash basis fund balance to revenues collected and subtracting expenditures. The fund balance calculation is one of several tools used to evaluate how well the annual budget is being managed and to project whether or not funds will be available at year-end to satisfy the statutory requirement of a balanced budget.

The following graph demonstrates wide fluctuations in fund balance during the year. In an examination of fund balance it should be noted that expenditures occur on a fairly consistent basis throughout the fiscal year, while revenues tend to be lower in the first half of the fiscal year.



DISCUSSION OF OPERATIONS GENERAL FUND

June 30, 1999

DISCUSSION OF OPERATIONS

The accompanying financial information, prepared on a budgetary (cash) basis of accounting, reflects the results of operations of the State's General Fund for the month, for the fourth quarter, and for the twelve-month period ended June 30, 1999.

FOURTH QUARTER

A condensed summary of operations for the fourth quarter ended June 30, 1999 and 1998 follows (in millions):

	Actual			
	1998-99	1997-98	Change	% Change
Beginning Unreserved Fund Balance	\$ 1,092.3	\$ 1,079.8	\$ 12.5	1.2%
Revenues :				
Tax Revenues	3,502.2	3,325.0	177.2	5.3%
Non-Tax Revenues	142.8	126.3	16.5	13.1%
Total Revenue	3,645.0	3,451.3	193.7	5.6%
Bond Proceeds	450.0	450.0	—	—
Total Revenue, Bond Proceeds	4,095.0	3,901.3	193.7	5.0%
Expenditures :				
Current Operations	3,867.6	3,629.0	238.6	6.6%
Capital Improve. - Approp.	290.8	81.9	208.9	255.1%
Debt Service	64.1	36.0	28.1	78.1%
	4,222.5	3,746.9	475.6	12.7%
General Oblig. - Bonds	450.0	450.0	—	—
Total Expenditures	4,672.5	4,196.9	475.6	11.3%
Excess of Revenues Over/ (Under) Expenditures	(577.5)	(295.6)	(281.9)	95.4%
Ending Unreserved Fund Balance - Before Reservations	514.8	784.2	(269.4)	(34.4%)
Reservations	218.1	269.0	(50.9)	
Ending Unreserved Fund Balance	\$ 296.7	\$ 515.2	\$ (218.5)	(42.4%)

In comparison to prior year collections, revenues have increased in the fourth quarter of fiscal year 1998-99 by \$193.7 million, or 5.0%.

Expenditures for the fourth quarter ended June 30, 1999 of \$4,672.5 million were \$475.6 million more than those of the comparable period of the preceding year, an increase of 11.3%.

**DISCUSSION OF OPERATIONS
GENERAL FUND**

June 30, 1999

YEAR-TO-DATE

A condensed summary of operations for the period through June 30, 1999 and 1998 follows (in millions) :

	Annual Budget *			Actual			% Change	Unrealized/Unexpended	
	1998-99	1997-98	Change	1998-99	1997-98	Change		1998-99	1997-98
Beginning Unreserved									
Fund Balance	\$ 515.2	\$ 318.7	\$ 196.5	\$ 515.2	\$ 318.7	\$ 196.5	61.7%		
Transfer from/(to)									
Reserved Fund Balance	227.8	174.5	53.3	227.8	174.5	53.3	30.5%		
	743.0	493.2	249.8	743.0	493.2	249.8	50.6%		
Revenues * :									
Tax Revenues	11,589.5	10,561.3	1,028.2	11,965.3	11,092.4	872.9	7.9%	\$ (375.8)	\$ (531.1)
Non-Tax Revenues	779.3	632.3	147.0	768.5	634.7	133.8	21.1%	10.8	(2.4)
Total Revenue	12,368.8	11,193.6	1,175.2	12,733.8	11,727.1	1,006.7	8.6%	(365.0)	(533.5)
Bond Proceeds	450.0	450.0	—	450.0	450.0	—	—	—	—
Total Revenue, Bond Proceeds	12,818.8	11,643.6	1,175.2	13,183.8	12,177.1	1,006.7	8.3%	(365.0)	(533.5)
Expenditures :									
Current Operations	12,582.0	11,140.0	1,442.0	12,432.4	10,997.0	1,435.4	13.1%	149.6	143.0
Capital Improvements - Approp.	337.2	327.3	9.9	337.2	327.3	9.9	3.0%	—	—
Debt Service	192.4	118.5	73.9	192.4	111.8	80.6	72.1%	—	6.7
Total Expenditures	13,111.6	11,585.8	1,525.8	12,962.0	11,436.1	1,525.9	13.3%	\$ 149.6	\$ 149.7
General Oblig. - Bonds	450.0	450.0	—	450.0	450.0	—	—		
Excess of Revenues Over/ (Under) Expenditures	(742.8)	(392.2)	(350.6)	(228.2)	291.0	(519.2)	(178.4%)		
Ending Unreserved									
Fund Balance - Before Reservations	0.2	101.0	(100.8)	514.8	784.2	(269.4)	(34.4%)		
Reservations	—	—	—	218.1	269.0	(50.9)			
Ending Unreserved									
Fund Balance - After Reservations	\$ 0.2	\$ 101.0	\$ (100.8)	\$ 296.7	\$ 515.2	\$ (218.5)	(42.4%)		

* A comparison of actual revenues to year-to-date budgeted revenues is found on page 3.

DISCUSSION OF OPERATIONS GENERAL FUND

June 30, 1999

REVENUES

A summary of major revenues for the period through June 30, 1999 and 1998 follows (in millions):

	Annual Budget				Actual			
	1998-99	1997-98	Change	% Change	1998-99	1997-98	Change	% Change
Tax Revenues:								
Individual Income	\$ 6,358.4	\$ 5,546.5	\$ 811.9	14.6%	\$ 6,606.5	\$ 6,028.9	\$ 577.6	9.6%
Corporate Income	743.1	679.6	63.5	9.3%	848.5	696.3	152.2	21.9%
Sales and Use	3,350.0	3,249.1	100.9	3.1%	3,376.2	3,255.4	120.8	3.7%
Franchise, Insurance, Beverage	866.4	832.3	34.1	4.1%	858.8	844.8	14.0	1.7%
Other	271.6	253.8	17.8	7.0%	275.3	267.0	8.3	3.1%
	11,589.5	10,561.3	1,028.2	9.7%	11,965.3	11,092.4	872.9	7.9%
Non-Tax Revenues	779.3	632.3	147.0	23.2%	768.5	634.7	133.8	21.1%
Total Revenues	\$ 12,368.8	\$ 11,193.6	\$ 1,175.2	10.5%	\$ 12,733.8	\$ 11,727.1	\$ 1,006.7	8.6%

* A comparison of actual revenues to year-to-date budgeted revenues is found on page 3.

Comments with regard to various revenues are as follows:

When compared to the prior year through June 30, 1999 actual tax and non-tax revenues increased by \$1,006.7 million, or 8.6%. The net, or actual, tax and non-tax revenues through June 1999 of \$12,733.8 million were greater than the projected revenues by \$365.0 million, or 3.0%.

Tax revenues are presented net of refunds to taxpayers and various transfers. Comparisons of current and prior year tax revenues is made difficult due to the practice of netting various transfer expenditures against the tax revenue sources. Examples of such transfers include:

- reimbursements to local governments;
- reimbursements for costs of administration of sales and use tax for local governments; and
- transfers to the Public School Building Capital Fund and Critical School Facility Needs Fund.

Individual Income Tax

Individual income taxes for the period through June 30, 1999 increased by \$577.6 million, or 9.6%, over those of 1997-98. Actual collections exceeded projections through June 30, 1999 by \$248.1 million, or 3.9%.

Corporate Income Tax

Through June 1999, the tax reimbursements to local governments offset against corporate income tax totaled \$207.2 million. The net revenues for the period through June 30, 1999 represented an increase of \$152.2 million, or 21.9%, over 1997-98.

Sales and Use Tax

Actual collections for the period through June 30, 1999 increased by \$120.8 million, or 3.7%, over those of the preceding year.

Franchise, Insurance and Beverage Taxes

Franchise, insurance, and beverage tax collections for fiscal year 1998-99 increased by \$14.0 million over those of 1997-98, an increase of 1.7%.

DISCUSSION OF OPERATIONS GENERAL FUND

June 30, 1999

All Other Taxes

All taxes other than those described above, when combined, increased through June 30, 1999 over the prior fiscal year by \$8.3 million, or 3.1%.

Total Tax Revenue

Total tax revenues of \$11,965.3 million for the period through June 30, 1999 represented an increase of \$872.9 million over the preceding year, an increase of 7.9%. At June 30, 1999, total tax revenues exceeded budgeted year-to-date revenues by \$375.8 million, or 3.2%.

Non-Tax Revenue

Non-tax revenue was \$133.8 million, or 21.1% greater for the twelve months ended June 30, 1999 than in 1997-98. This increase reflects the collection of \$85 million in disproportionate share receipts.

EXPENDITURES

A summary of expenditures for the period through June 30, 1999 and 1998 follows (in millions):

	Annual Budget				Actual			
	1998-99	1997-98	Change	% Change	1998-99	1997-98	Change	% Change
Expenditures :								
Current Operations	\$ 12,582.0	\$ 11,140.0	\$ 1,442.0	12.9%	\$ 12,432.4	\$ 10,997.0	\$ 1,435.4	13.1%
Capital Improve. - Approp.	337.2	327.3	9.9	3.0%	337.2	327.3	9.9	3.0%
Debt Service	192.4	118.5	73.9	62.4%	192.4	111.8	80.6	72.1%
	13,111.6	11,585.8	1,525.8	13.2%	12,962.0	11,436.1	1,525.9	13.3%
General Oblig. - Bonds	450.0	450.0	—	—	450.0	450.0	—	—
Total Expenditures	\$ 13,561.6	\$ 12,035.8	\$ 1,525.8	12.7%	\$ 13,412.0	\$ 11,886.1	\$ 1,525.9	12.8%

Comments with regard to expenditures are as follows:

Expenditures, excluding capital improvements funded by bond proceeds, for fiscal year 1998-99 were \$1,525.9 million more than those of fiscal year 1997-98, an increase of 13.3%.

Current Operations

Expenditures for current operations for 1998-99 were greater than such expenditures for 1997-98 by \$1,435.4 million, or 13.1%.

Capital Improvements

Capital expenditures of \$337.2 million were appropriated and expended for fiscal year 1998-99.

Debt Service

Debt service expenditures of \$192.4 million were appropriated for 1998-99. Actual debt service through June 30, 1999 totaled \$192.4 million. Total debt service requirements for 1998-99 were \$200.3 million. Of this amount, \$192.4 million was funded by appropriation, and \$7.9 million was funded by departmental receipts.

DISCUSSION OF OPERATIONS GENERAL FUND

June 30, 1999

FUND BALANCE RESERVES

Savings Reserve Account

During the 1991 session, the General Assembly established a Savings Reserve Account as a restricted reserved portion of fund balance in the General Fund, becoming effective for the year ended June 30, 1992. Under this legislation, one-fourth of any unreserved credit balance (*defined by the General Statutes as "...the credit balance, as determined on a cash basis, not already reserved to the Savings Reserve Account."*) remaining in the General Fund at the end of each fiscal year will be transferred to the Savings Reserve until the account contains funds equal to 5% of the amount appropriated to the General Fund operating budget for the preceding year. On June 30, 1999, the balance in the Savings Reserve Account remained at the 5% cap of \$522.5 million.

<u>Summary of Savings Reserve Account (in millions) :</u>			Increase/ (Decrease)	Balance
Date		Description		
		Reserve - Budget Stabilization (Rainy Day Fund)	\$ 0.4	\$ 0.4
June	1992	Statutory Reservation - G. S. 143-15.3	41.2	41.6
June	1993	Statutory Reservation - G. S. 143-15.3	134.3	175.9
July	1993	Withdrawal from Reserve	(121.0)	54.9
June	1994	Statutory Reservation - G. S. 143-15.3	155.7	210.6
January	1995	Budget Stabilization Appropriation	66.7	277.3
June	1995	Statutory Reservation - G. S. 143-15.3	146.3	423.6
June	1996	Statutory Reservation - G. S. 143-15.3	77.3	500.9
June	1997	Statutory Reservation - G. S. 143-15.3	-	500.9
June	1998	Statutory Reservation - G. S. 143-15.3	21.6	522.5
June	1999	Statutory Reservation - G. S. 143-15.3	-	\$ 522.5

Repairs and Renovations Reserve Account

The 1993 General Assembly, in an effort to provide for the State's capital needs, established the Repairs and Renovations Reserve Account (G.S. 143-15.3A). The Repairs and Renovations Reserve Account is defined to consist of 3.0% of the replacement value of all State buildings supported from the General Fund, at the end of each fiscal year. The funds in the Repairs and Renovations Reserve Account are to be used only for the repair and renovation of State buildings and related infrastructure that are supported from the General Fund. For fiscal year 1998-99, the General Assembly placed \$150 million into this reserve. The balance in the Repairs and Renovations Reserve at June 30, 1999 was \$164.7 million.

Clean Water Management Trust Fund

For fiscal year 1995-96, the General Assembly established the Clean Water Management Trust Fund to finance projects to clean up or prevent surface water pollution (G.S. 113-145.3). The amount reserved in the General Fund each year is defined as 6.5% of any unreserved credit balance remaining in the General Fund at the end of the fiscal year, or \$30 million, whichever is greater. For the 1998-99 fiscal year, \$31.1 million was placed in this reserve.

North Carolina Railroad Acquisition

For fiscal year 1996-97, the General Assembly established the Railroad Reserve Account. In order to help promote trade, industry, and transportation within the State of North Carolina and to advance the economic interests of the State and its citizens, the General Assembly finds it advantageous for the State to acquire the outstanding shares of the North Carolina Railroad Company not held by the State. At June 30, 1997, the amount of \$61 million of the unreserved General Fund balance was placed in the Railroad Reserve Account. On April 1, 1998 the General Fund loaned (presented as an investment of cash on the cash basis General Fund balance sheet) the North Carolina Railroad Company \$61 million for the retirement of non-State owned common stock shares of the Railroad.

DISCUSSION OF OPERATIONS GENERAL FUND

June 30, 1999

Work First

For the fiscal year 1997-98, the General Assembly established the Work First Reserve Fund (G.S. 143-15.3C). At the end of each fiscal year, the State Controller shall reserve State funds in an amount equalling one-fourth of any Work First Program funds from General Fund appropriations remaining unexpended at the end of the fiscal year, up to a maximum balance in the account of fifty million dollars (\$50,000,000). The General Assembly may appropriate additional funds into this reserve. The balance in this reserve at June 30, 1999 was \$17.4 million

Disproportionate Share Reserve

Disproportionate share payments are Medicaid payments made to hospitals which serve a disproportionate share of indigent patients (1993 General Assembly, Chapter 321, Senate Bill 27, Section 21.3). This account was established to reserve for future appropriation any excess collection of disproportionate share revenues above those budgeted as departmental receipts for the fiscal year 1997-98 and as non-tax revenue in succeeding fiscal years. There was \$19.6 million in this reserve at June 30, 1999.

Aquariums

The 1998 General Assembly authorized the use of lapsed salary funds that have accrued to the General Fund for the 1998-99 fiscal year to be used for the renovation and construction of the State aquariums at Pine Knoll Shores and Fort Fisher. For the 1998-99 fiscal year, \$30 million was placed in this reserve.

Capital Improvements

For the fiscal year 1998-99, the General Assembly directed the allocation of State funds to match federal funds for the detoxification of the Warren County polychlorinated biphenyl landfill. If the Director of the Office of the State Budget determines that sufficient funds are available from any source, the Director may transfer funds not to exceed seven million dollars (\$7,000,000) to be placed in a reserve account with the Department of Environment and Natural Resources. For the 1998-99 fiscal year, \$7.0 million was placed in this reserve.

SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE - BUDGETARY BASIS GENERAL FUND

June 30, 1999

(Expressed In Millions)

Assets		Liabilities and Fund Balance	
Deposits with State Treasurer :		<u>Liabilities:</u>	
Cash and Investments	\$ 1,794.8	Sales and Use Tax Payable	\$ 414.3
		Beverage Tax Payable	—
Advance to North Carolina Railroad	61.0	Scrap Tire Fees Payable	2.5
		White Goods	1.0
		Total Liabilities	\$ 417.8
		<u>Fund Balance:</u>	
		<u>Reserved :</u>	
		Savings Account (G.S. 143-15.3)	\$ 522.5
		Retirees' Health Premiums	288.0
		Repairs and Renovations (G.S. 143-15.3A)	164.7
		Clean Water Management Trust Fd (G.S. 143-15.3B)	31.1
		North Carolina Railroad Acquisition	61.0
		Work First	17.4
		Aquariums	30.0
		Disproportionate Share	19.6
		Capital Improvements	7.0
		Total Reserved	\$ 1,141.3
		<u>Unreserved :</u>	
		Fund Balance - July 1, 1998	515.2
		Contribution from Reserves - July 1, 1998	227.8
		Contribution to Reserves - June 30, 1999	(218.1)
			524.9
		Excess of Revenue Over Expenditures -	
		Twelve Months Ended June 30, 1999	(228.2)
		Total Unreserved	296.7
		Total Fund Balance	1,438.0
Total Assets	\$ 1,855.8	Total Liabilities and Fund Balance	\$ 1,855.8

Bailey Case — State Tax Refunds - State Retirees. State and local government retirees filed a class action suit in 1990 as a result of the repeal of the income tax exemption for state and local government retirement benefits. The original suit was dismissed after the North Carolina Supreme Court ruled in 1991 that the plaintiffs had failed to comply with state law requirements for challenging unconstitutional taxes and the United States Supreme Court denied review. In 1992, many of the same plaintiffs filed a new lawsuit alleging essentially the same claims, including breach of contract, unconstitutional impairment of contract rights by the State in taxing benefits that were allegedly promised to be tax exempt and violation of several state constitutional provisions.

Patton Case — State Tax Refunds - Federal Retirees. On May 23, 1995, retired federal employees sued for refund of income taxes paid upon pension income for tax years 1989 through 1993. They alleged that the incremental pension increases granted state retirees since 1989 unconstitutionally discriminate against them. The North Carolina Supreme Court ruled in the Bailey case on Friday, May 8, 1998. On June 9, 1998 representatives of the State and the various retirees involved in the Bailey and Patton cases announced a settlement in the amount of \$799 million. Of this amount, \$400 million is being paid in refunds in fiscal year 1998-99, and \$399 million will be paid in refunds during fiscal year 1999-2000.

Smith v. State – Intangibles tax refunds to non-protesting taxpayers. On February 21, 1996, the U.S. Supreme Court declared North Carolina's intangibles tax unconstitutional. Subsequently, the State made refunds of intangible taxes paid by all persons who had complied with the provisions of G.S. 105-267, **Taxes to be paid; suits for recovery of taxes**, for obtaining refunds of unconstitutional taxes. The Smith case is an action aimed principally at recovering intangibles tax refunds for taxpayers who failed to comply with the provisions of G.S. 105-267. On December 4, 1998, the Supreme Court ruled that North Carolina will have to pay refunds to non-protesters who paid intangibles taxes. Refunds to non-protesters will total approximately \$239.3 million plus interest of approximately \$120.8 million through June 30, 1999.

State of North Carolina

SCHEDULE OF OPERATIONS GENERAL FUND

For the Months of June 1999 and 1998, and the Twelve Months Ended June 30, 1999 and 1998

(Expressed In Millions)

	Month		Year-To-Date		Authorized Budget		Percent of Budget Realized/Expended Year-To-Date	
	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98
Beg. Unreserved Fund Balance	\$ 1,207.4	\$ 1,426.2	\$ 515.2	\$ 318.7	\$ 515.2	\$ 318.7		
Transfer from Reserved Fund Balance	—	—	227.8	174.5	227.8	174.5		
Transfer to Reserved Fund Balance	—	—	—	—	—	—		
	<u>1,207.4</u>	<u>1,426.2</u>	<u>743.0</u>	<u>493.2</u>	<u>743.0</u>	<u>493.2</u>		
Revenues:								
Tax Revenues:								
Individual Income	513.8	458.0	6,606.5	6,028.9	6,358.4	5,546.5	103.9%	108.7%
Corporate Income	212.8	151.5	848.5	696.3	743.1	679.6	114.2%	102.5%
Sales and Use	295.0	295.0	3,376.2	3,255.4	3,350.0	3,249.1	100.8%	100.2%
Franchise	1.9	5.4	409.6	407.3	434.8	409.9	94.2%	99.4%
Insurance	80.6	72.4	291.2	283.8	273.6	269.7	106.4%	105.2%
Beverage	15.9	15.4	158.0	153.7	158.0	152.7	100.0%	100.7%
Inheritance	14.6	11.3	169.9	138.1	155.4	137.8	109.3%	100.2%
Soft Drink	1.0	2.1	12.3	23.1	13.4	22.3	91.8%	103.6%
Privilege License	3.4	5.8	27.6	36.6	38.9	33.1	71.0%	110.6%
Tobacco Products	3.6	3.7	44.9	47.2	46.3	46.7	97.0%	101.1%
Real Estate Conveyance Excise	(7.3)	(6.6)	—	—	—	—	—	—
Intangibles	—	—	—	0.3	—	—	—	—
Gift	0.4	0.2	19.3	20.6	16.4	12.7	117.7%	162.2%
White Goods Disposal	(0.7)	(1.2)	—	—	—	—	—	—
Scrap Tire Disposal	(1.7)	(1.6)	—	—	—	—	—	—
Freight Car Lines	—	—	0.5	0.5	0.5	0.5	100.0%	100.0%
Other	0.7	0.7	0.8	0.6	0.7	0.7	114.3%	85.7%
Total Tax Revenue	<u>1,134.0</u>	<u>1,012.1</u>	<u>11,965.3</u>	<u>11,092.4</u>	<u>11,589.5</u>	<u>10,561.3</u>	<u>103.2%</u>	<u>105.0%</u>
Non-Tax Revenue:								
Treasurer's Investments	22.5	23.1	249.3	248.1	261.5	237.4	95.3%	104.5%
Judicial Fees	11.5	9.6	121.0	112.8	116.3	116.8	104.0%	96.6%
Insurance	4.6	4.9	22.0	20.3	21.4	20.6	102.8%	98.5%
Disproportionate Share	—	—	85.0	—	85.0	—	100.0%	—
Highway Fund Transfer In	3.5	3.3	13.4	12.6	13.4	12.6	100.0%	100.0%
Highway Trust Fund Transfer In	—	—	170.0	170.0	170.0	170.0	100.0%	100.0%
Other	9.0	7.4	107.8	70.9	111.7	74.9	96.5%	94.7%
Total Non-Tax Revenue	<u>51.1</u>	<u>48.3</u>	<u>768.5</u>	<u>634.7</u>	<u>779.3</u>	<u>632.3</u>	<u>98.6%</u>	<u>100.4%</u>
Total Tax and Non-Tax Revenue	<u>1,185.1</u>	<u>1,060.4</u>	<u>12,733.8</u>	<u>11,727.1</u>	<u>12,368.8</u>	<u>11,193.6</u>	<u>103.0%</u>	<u>104.8%</u>
Bond Proceeds	<u>—</u>	<u>—</u>	<u>450.0</u>	<u>450.0</u>	<u>450.0</u>	<u>450.0</u>	<u>100.0%</u>	<u>100.0%</u>
Total Availability	<u>2,392.5</u>	<u>2,486.6</u>	<u>13,926.8</u>	<u>12,670.3</u>	<u>13,561.8</u>	<u>12,136.8</u>	<u>102.7%</u>	<u>104.4%</u>
Expenditures:								
Current Operations	1,841.4	1,683.5	12,432.4	10,997.0	12,582.0	11,140.0	98.8%	98.7%
Capital Improvements:								
Funded by General Fund	—	—	337.2	327.3	337.2	327.3	100.0%	100.0%
Debt Service	36.3	18.9	192.4	111.8	192.4	118.5	100.0%	94.3%
	<u>1,877.7</u>	<u>1,702.4</u>	<u>12,962.0</u>	<u>11,436.1</u>	<u>13,111.6</u>	<u>11,585.8</u>	<u>98.9%</u>	<u>98.7%</u>
Capital Improvements:								
Funded by Bond Proceeds	—	—	450.0	450.0	450.0	450.0	100.0%	100.0%
Total Expenditures	<u>1,877.7</u>	<u>1,702.4</u>	<u>13,412.0</u>	<u>11,886.1</u>	<u>13,561.6</u>	<u>12,035.8</u>	<u>98.9%</u>	<u>98.8%</u>
Unreserved Fund Balance - Before Statutory Reservations	514.8	784.2	514.8	784.2	0.2	101.0		
Reservations								
Repair and Renovation	150.0	145.0	150.0	145.0	—	—		
Savings	—	21.6	—	21.6	—	—		
Clean Water Mgmt. Trust Fund	31.1	47.4	31.1	47.4	—	—		
Capital Improvements	7.0	—	7.0	—	—	—		
Aquarium	30.0	—	30.0	—	—	—		
DPI Allocation	—	55.0	—	55.0	—	—		
Unreserved Fund Balance	<u>\$ 296.7</u>	<u>\$ 515.2</u>	<u>\$ 296.7</u>	<u>\$ 515.2</u>	<u>\$ 0.2</u>	<u>\$ 101.0</u>		

SCHEDULE OF NET TAX AND NON-TAX REVENUES AND TRANSFERS IN BUDGET VS. ACTUAL GENERAL FUND

For the Month of June 1999, and the Twelve Months Ended June 30, 1999

(Expressed In Millions)

	Current Month				Year-To-Date			
	Projected Monthly Budget	Actual	Variance	Percent Realized	Projected Monthly Budget	Actual	Variance	Percent Realized
Tax Revenue								
Individual Income [1]	\$ 507.9	\$ 513.8	\$ 5.9	101.2%	\$ 6,358.4	\$ 6,606.5	\$ 248.1	103.9%
Corporate Income [2]	166.2	212.8	46.6	128.0%	743.1	848.5	105.4	114.2%
Sales and Use	284.0	295.0	11.0	103.9%	3,350.0	3,376.2	26.2	100.8%
Franchise	(8.0)	1.9	9.9	(23.8%)	434.8	409.6	(25.2)	94.2%
Insurance	70.6	80.6	10.0	114.2%	273.6	291.2	17.6	106.4%
Beverage	16.7	15.9	(0.8)	95.2%	158.0	158.0	—	100.0%
Inheritance	13.0	14.6	1.6	112.3%	155.4	169.9	14.5	109.3%
Soft Drink	0.9	1.0	0.1	111.1%	13.4	12.3	(1.1)	91.8%
Privilege License	13.9	3.4	(10.5)	24.5%	38.9	27.6	(11.3)	71.0%
Tobacco Products	3.8	3.6	(0.2)	94.7%	46.3	44.9	(1.4)	97.0%
Real Estate Conveyance Excise	(7.3)	(7.3)	—	100.0%	—	—	—	—
Gift	0.2	0.4	0.2	200.0%	16.4	19.3	2.9	117.7%
White Goods Disposal	(0.7)	(0.7)	—	100.0%	—	—	—	—
Scrap Tire Disposal	(1.7)	(1.7)	—	100.0%	—	—	—	—
Freight Car Lines	—	—	—	—	—	0.5	0.5	—
Other	0.7	0.7	—	100.0%	1.2	0.8	(0.4)	66.7%
Total Tax Revenue	<u>1,060.2</u>	<u>1,134.0</u>	<u>73.8</u>	<u>107.0%</u>	<u>11,589.5</u>	<u>11,965.3</u>	<u>375.8</u>	<u>103.2%</u>
Non-Tax Revenue								
Treasurer's Investments	21.8	22.5	0.7	103.2%	261.5	249.3	(12.2)	95.3%
Judicial Fees	10.0	11.5	1.5	115.0%	116.3	121.0	4.7	104.0%
Insurance	8.2	4.6	(3.6)	56.1%	38.0	22.0	(16.0)	57.9%
Disproportionate share	—	—	—	—	85.0	85.0	—	100.0%
Highway Fund Transfer In	3.5	3.5	—	100.0%	13.4	13.4	—	100.0%
Highway Trust Fund Transfer In	—	—	—	—	170.0	170.0	—	100.0%
Other	6.7	9.0	2.3	134.3%	95.1	107.8	12.7	113.4%
Total Non-Tax Revenue	<u>50.2</u>	<u>51.1</u>	<u>0.9</u>	<u>101.8%</u>	<u>779.3</u>	<u>768.5</u>	<u>(10.8)</u>	<u>98.6%</u>
Total Tax and Non-Tax Revenue	<u>\$ 1,110.4</u>	<u>\$ 1,185.1</u>	<u>\$ 74.7</u>	<u>106.7%</u>	<u>\$ 12,368.8</u>	<u>\$ 12,733.8</u>	<u>\$ 365.0</u>	<u>103.0%</u>

[1] Individual Income Tax collections are reported net of the following transfer(s) :

	1998-99		1997-98	
	Current Month	Year-To- Date	Current Month	Year-To- Date
Individual Income Tax, Reported Net	\$ 513.8	\$ 6,606.5	\$ 458.0	\$ 6,028.9
Local Government Tax Reimbursement	—	129.0	—	129.0
Individual Income Tax, Adjusted for Transfers	<u>\$ 513.8</u>	<u>\$ 6,735.5</u>	<u>\$ 458.0</u>	<u>\$ 6,157.9</u>

[2] Corporate Income Tax collections are reported net of the following transfer(s) :

	1998-99		1997-98	
	Current Month	Year-To- Date	Current Month	Year-To- Date
Corporate Income Tax, Reported Net	\$ 212.8	\$ 848.5	\$ 151.5	\$ 696.3
Public School Building Capital Fund	—	62.9	—	56.6
Critical School Facility Needs Fund	—	10.0	—	10.0
Local Government Tax Reimbursement	—	207.2	—	207.2
	<u>—</u>	<u>280.1</u>	<u>—</u>	<u>273.8</u>
Corporate Income Tax, Adjusted for Transfers	<u>\$ 212.8</u>	<u>\$ 1,128.6</u>	<u>\$ 151.5</u>	<u>\$ 970.1</u>

State of North Carolina

SCHEDULE OF APPROPRIATION EXPENDITURES BY FUNCTION AND DEPARTMENT GENERAL FUND

For the Months of June 1999 and 1998, and the Twelve Months Ended June 30, 1999 and 1998

(Expressed In Millions)

	Month		Year-To-Date		Authorized Budget		Percent of Budget Expended	
	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98
<p>A negative appropriation expenditure indicates that a budget code has non-appropriated authorized receipts that exceed authorized expenditures.</p> <p>Budget Code Expenditures minus Budget Code Receipts equal Budget Code Appropriation Expenditures.</p>								
General Fund Expenditures								
Current Operations :								
General Government								
General Assembly	\$ 17.2	\$ 18.6	\$ 34.6	\$ 31.3	\$ 34.9	\$ 31.6	99.1%	99.1%
Governor's Office	0.6	0.6	5.4	5.4	5.4	5.5	100.0%	98.2%
Office of State Budget	0.5	0.5	4.3	4.0	4.5	4.1	95.6%	97.6%
Office of State Planning	0.6	0.2	3.4	1.8	3.4	1.9	100.0%	94.7%
Housing Finance Agency	—	—	4.3	7.3	4.3	7.3	100.0%	100.0%
Disaster Relief	82.0	105.0	—	(0.6)	—	—	—	—
Lieutenant Governor	0.1	—	0.7	0.6	0.7	0.6	100.0%	100.0%
Secretary of State	1.3	1.1	6.5	6.5	7.0	6.7	92.9%	97.0%
State Auditor	3.3	2.6	10.4	9.4	12.2	10.4	85.2%	90.4%
State Treasurer	0.7	1.3	6.5	5.0	8.3	7.1	78.3%	70.4%
Retirement and Employee Benefits	2.5	3.1	412.3	11.8	412.3	11.9	100.0%	99.2%
Fire Safety Loan	—	—	—	—	—	—	—	—
Administration	6.5	6.2	56.4	53.9	61.9	58.6	91.1%	92.0%
Office of the State Controller	2.3	1.6	12.6	10.0	13.2	10.8	95.5%	92.6%
Revenue	19.3	8.2	81.9	67.7	84.2	69.6	97.3%	97.3%
Cultural Resources	4.7	5.5	73.2	64.2	73.7	65.0	99.3%	98.8%
State Information Processing Service	1.9	25.1	6.1	51.0	6.1	51.1	100.0%	99.8%
Cultural Resources - Roanoke Island Commission	—	—	1.9	1.6	1.9	1.6	100.0%	100.0%
Board of Elections	4.7	4.0	3.4	1.5	3.8	1.6	89.5%	93.8%
Office of Administrative Hearings	0.2	0.2	2.4	2.3	2.8	2.4	85.7%	95.8%
Rules Review Committee	0.1	—	0.3	0.3	0.3	0.5	100.0%	60.0%
	148.5	183.8	726.6	335.0	740.9	348.3	98.1%	96.2%
Reserves - General Assembly	3.2	0.5	8.3	5.0	8.3	5.0	100.0%	100.0%
Reserves - Contingency & Emergency	—	—	—	—	0.6	1.0	—	—
Reserves - SPA Salary Increases	—	—	—	—	2.7	—	—	—
Reserves - Salary Adjustments	—	—	—	—	—	0.6	—	—
Reserves - Year 2000	—	—	—	—	—	—	—	—
Reserves - Education Technology Equipment	—	—	—	—	—	—	—	—
Reserves - Nonrecurring Compensation Increase	—	—	—	—	3.1	—	—	—
Reserves - Welfare Reform	—	—	—	—	0.4	0.9	—	—
Reserves - Administrative Rules Process	—	—	—	—	—	—	—	—
Reserves - Salary Adjustments 1997-99	—	—	—	—	0.6	0.3	—	—
Reserves - Salary Adjustments 1997-99	—	—	—	—	0.6	1.5	—	—
Reserves - Child Support Legislation	—	—	—	—	—	—	—	—
Reserves - Retirement Adjustment	—	—	—	—	—	(0.1)	—	—
Reserves - Postage Reduction	—	—	—	—	(0.1)	(0.1)	—	—
Reserves - Criminal Justice Information System	—	—	—	—	—	—	—	—
Reserves - Retirement Adjustment	—	—	—	—	—	—	—	—
Reserves - Moving Expenses	1.7	1.8	—	—	—	—	—	—
Reserves - Clean Water	—	—	—	—	—	—	—	—
Reserves - Juvenile Justice	—	—	—	—	—	—	—	—
	4.9	2.3	8.3	5.0	16.2	9.1	51.2%	54.9%
Total - General Government	153.4	186.1	734.9	340.0	757.1	357.4	97.1%	95.1%

State of North Carolina

SCHEDULE OF APPROPRIATION EXPENDITURES BY FUNCTION AND DEPARTMENT GENERAL FUND

For the Months of June 1999 and 1998, and the Twelve Months Ended June 30, 1999 and 1998

(Expressed In Millions)

	Month		Year-To-Date		Authorized Budget		Percent of Budget Expended	
	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98
Education								
Public Instruction	776.9	764.7	5,038.2	4,693.2	5,068.6	4,697.9	99.4%	99.9%
North Carolina School of Science and Mathematics	1.6	1.4	10.1	9.7	10.5	10.1	96.2%	96.0%
Community Colleges	86.3	64.5	582.2	528.1	587.5	534.9	99.1%	98.7%
	864.8	830.6	5,630.5	5,231.0	5,666.6	5,242.9	99.4%	99.8%
University System :								
University of North Carolina - General Admin.	4.6	2.2	47.6	40.6	49.2	41.6	96.7%	97.6%
UNC - GA Institutional Programs and Facilities	—	—	—	—	0.3	0.1	—	—
UNC - GA Related Educational Programs	(0.1)	—	77.2	65.4	77.2	66.2	100.0%	98.8%
UNC - Chapel Hill Academic Affairs	36.6	35.1	188.8	169.0	188.8	170.7	100.0%	99.0%
UNC - Chapel Hill Health Affairs	19.9	21.2	149.2	140.1	149.2	141.5	100.0%	99.0%
UNC - Chapel Hill Area Health Affairs	8.0	4.4	44.4	43.2	44.4	43.4	100.0%	99.5%
NCSU - Academic Affairs	53.1	36.8	250.3	222.5	250.3	224.7	100.0%	99.0%
NCSU - Agricultural Research	5.0	3.7	48.6	45.0	48.6	45.1	100.0%	99.8%
NCSU - Agricultural Extension Service	2.9	3.3	36.5	34.7	36.5	34.7	100.0%	100.0%
University of North Carolina at Greensboro	16.9	15.3	82.3	74.6	82.3	75.3	100.0%	99.1%
University of North Carolina at Charlotte	19.6	16.4	87.3	78.8	87.3	79.6	100.0%	99.0%
University of North Carolina at Asheville	3.6	3.2	23.9	22.2	23.9	22.4	100.0%	99.1%
University of North Carolina at Wilmington	11.2	8.3	52.4	47.1	52.4	47.6	100.0%	98.9%
East Carolina University	19.1	18.4	109.0	96.8	109.0	97.8	100.0%	99.0%
ECU - Health Affairs	4.8	5.1	45.2	43.2	45.2	43.6	100.0%	99.1%
North Carolina A&T University	12.6	7.4	57.3	52.0	57.3	52.6	100.0%	98.9%
Western Carolina University	8.0	8.2	50.2	46.8	50.2	47.3	100.0%	98.9%
Appalachian State University	10.0	9.5	75.9	70.0	75.9	70.7	100.0%	99.0%
Pembroke State University	3.7	3.8	22.3	20.7	22.3	20.9	100.0%	99.0%
Winston-Salem State University	3.3	2.8	26.2	22.5	26.2	22.8	100.0%	98.7%
Elizabeth City State University	3.4	1.9	20.5	18.6	20.5	18.8	100.0%	98.9%
Fayetteville State University	3.8	3.5	27.6	25.2	27.6	25.5	100.0%	98.8%
North Carolina Central University	7.5	5.0	42.4	36.4	42.4	36.8	100.0%	98.9%
North Carolina School of the Arts	3.2	3.4	14.5	13.7	14.5	13.9	100.0%	98.6%
University of North Carolina Hospitals	4.1	2.6	37.0	36.4	37.0	36.4	100.0%	100.0%
	264.8	221.5	1,616.6	1,465.5	1,618.5	1,480.0	99.9%	99.0%
Total - Education	1,129.6	1,052.1	7,247.1	6,696.5	7,285.1	6,722.9	99.5%	99.6%
Health and Human Services								
HHS - Administration	16.2	7.2	118.5	45.9	123.5	49.9	96.0%	92.0%
Aging	3.0	2.7	31.9	24.5	32.2	24.6	99.1%	99.6%
Child Development	58.6	23.5	209.7	172.1	210.9	172.3	99.4%	99.9%
Services for Deaf & Hearing Impaired	3.2	3.2	30.3	28.1	30.8	28.7	98.4%	97.9%
Health Services (Reorganization FY 1997-98)	30.7	20.0	121.1	113.8	129.6	120.0	93.4%	94.8%
Social Services	43.9	42.1	157.0	168.1	161.3	168.1	97.3%	100.0%
Medical Assistance	110.7	98.5	1,301.8	1,119.1	1,334.5	1,157.1	97.5%	96.7%
Children's Health Insurance	3.3	—	8.3	—	14.3	—	58.0%	—
Services for the Blind	3.9	2.1	18.0	13.7	18.8	16.5	95.7%	83.0%
Mental Health	63.5	48.4	558.3	546.3	561.7	553.9	99.4%	98.6%
Facility Services	4.2	2.3	9.0	6.6	10.5	8.1	85.7%	81.5%
Vocational Rehabilitation	12.5	10.4	35.0	33.6	35.6	34.4	98.3%	97.7%
Youth Services	(80.8)	10.5	—	87.4	—	89.3	—	97.9%
Juvenile Justice	123.1	—	123.1	—	126.1	—	97.6%	—
Total - Health and Human Services	396.0	270.9	2,722.0	2,359.2	2,789.8	2,422.9	97.6%	97.4%

State of North Carolina

SCHEDULE OF APPROPRIATION EXPENDITURES BY FUNCTION AND DEPARTMENT GENERAL FUND

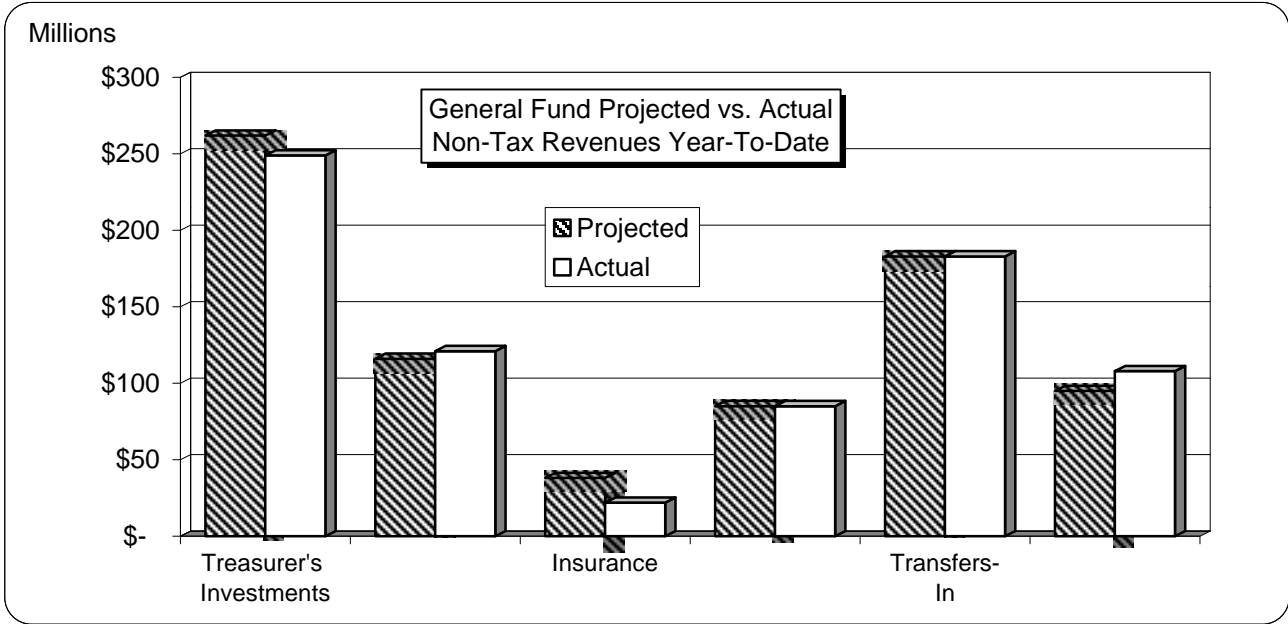
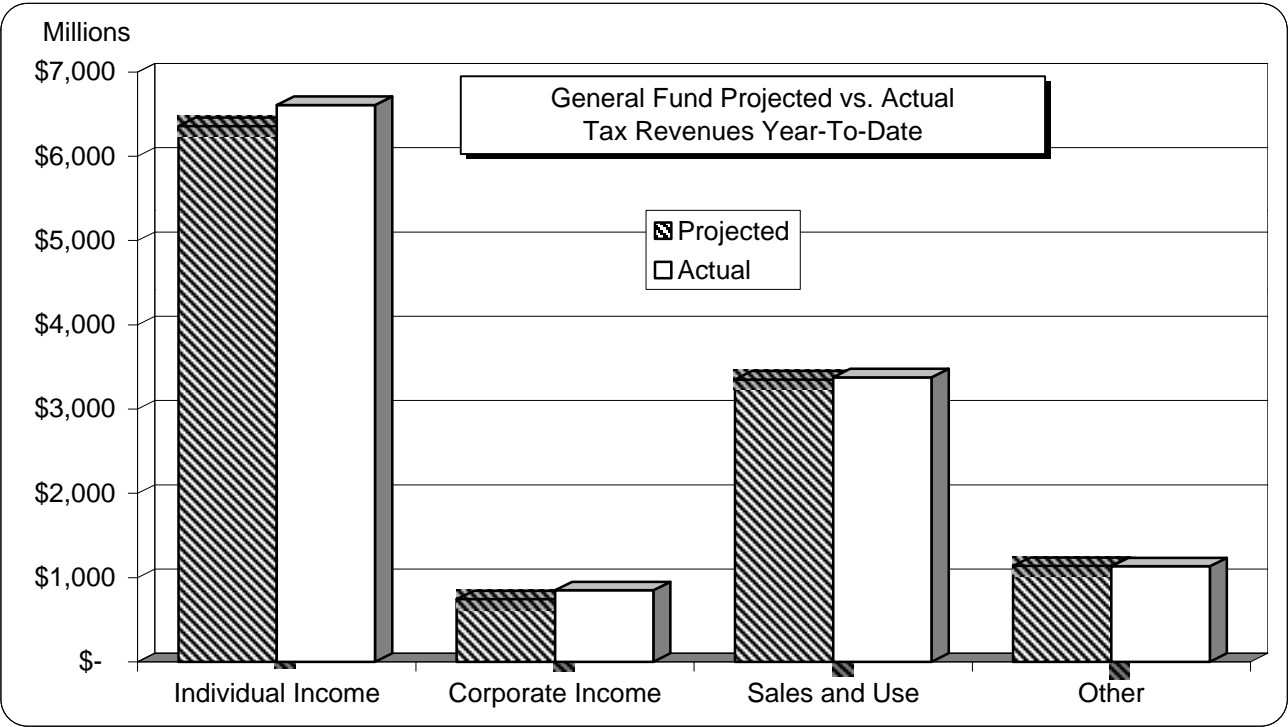
For the Months of June 1999 and 1998, and the Twelve Months Ended June 30, 1999 and 1998

(Expressed In Millions)

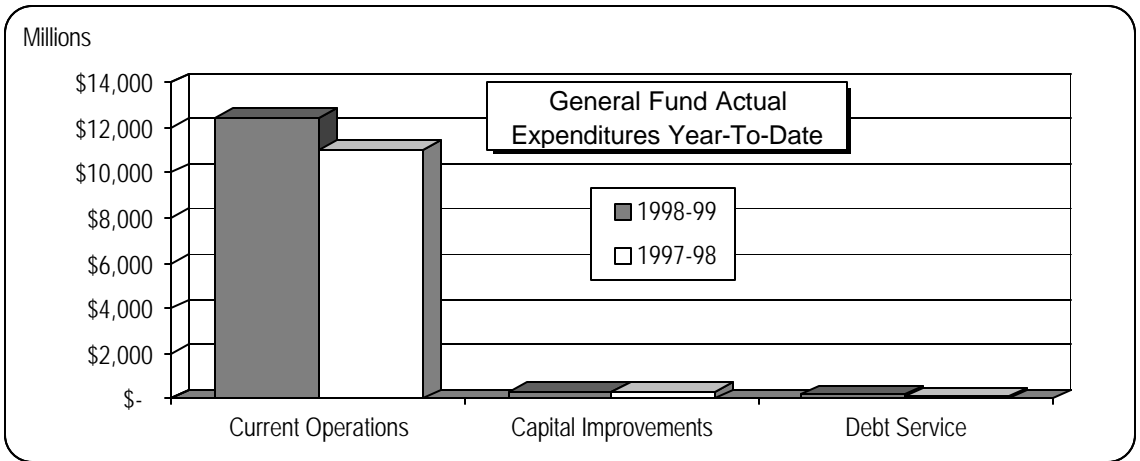
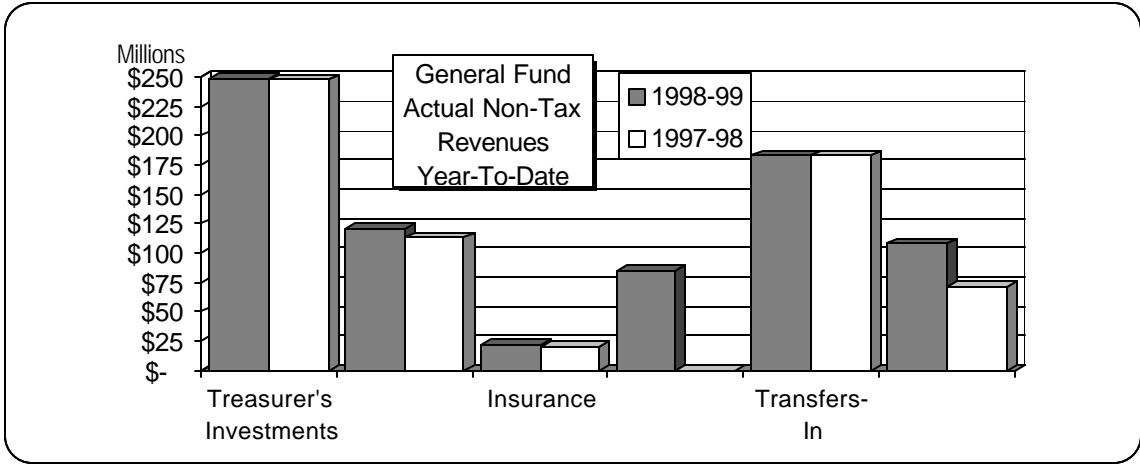
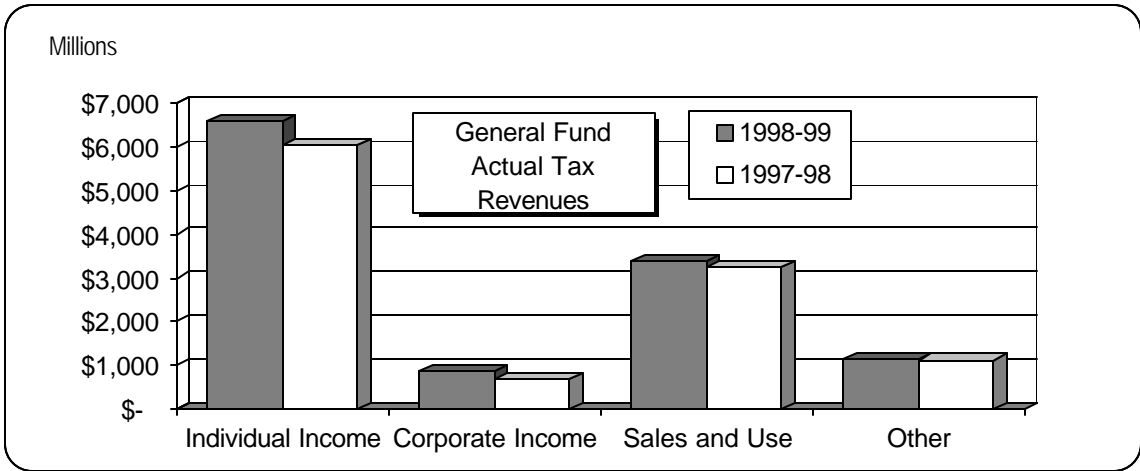
	Month		Year-To-Date		Authorized Budget		Percent of Budget Expended	
	Year-To-Date		Year-To-Date		Year-To-Date		Year-To-Date	
	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98
Economic Development								
Commerce	13.2	9.1	50.9	46.0	54.4	48.7	93.6%	94.5%
Commerce - State Aid to Nonstate Entities	3.5	—	45.1	12.7	45.1	12.7	100.0%	100.0%
Microelectronics Center	—	0.4	—	4.5	—	4.5	—	100.0%
Biotechnology Center	—	1.4	—	16.2	—	16.2	—	100.0%
Rural Economic Development Center	—	0.6	—	7.3	—	7.3	—	100.0%
Transportation - Airport	—	—	11.2	10.6	11.2	10.6	100.0%	100.0%
Transportation - Railroads	—	—	—	—	—	—	—	—
Total - Economic Development	16.7	11.5	107.2	97.3	110.7	100.0	96.8%	97.3%
Environment and Natural Resources								
Environment and Natural Resources (Reorganization FY 1997-98)	18.1	17.3	158.8	158.7	163.5	165.6	97.1%	95.8%
Environment and Natural Resources - State Aid	—	—	47.4	—	47.4	—	100.0%	—
Total - Environment and Natural Resources	18.1	17.3	206.2	158.7	210.9	165.6	97.8%	95.8%
Public Safety, Correction, and Regulation								
Judicial	12.8	36.8	326.7	332.4	328.9	333.7	99.3%	99.6%
Justice	7.8	9.7	70.7	67.2	74.4	71.3	95.0%	94.2%
Labor	3.4	2.7	16.0	15.5	17.6	17.0	90.9%	91.2%
Insurance	2.3	1.8	20.9	18.9	22.7	20.4	92.1%	92.6%
Insurance - RICO	—	—	4.5	4.5	4.5	4.5	100.0%	100.0%
Correction	89.4	80.0	885.2	823.8	885.2	837.2	100.0%	98.4%
Crime Control	5.2	8.4	36.8	34.0	36.8	34.9	100.0%	97.4%
Total - Public Safety, Correction, and Regulation	120.9	139.4	1,360.8	1,296.3	1,370.1	1,319.0	99.3%	98.3%
Agriculture								
Agriculture and Consumer Services	6.9	6.4	54.4	49.2	58.5	52.7	93.0%	93.4%
Rounding [*]	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.5)	N/A	N/A
Total Current Operations	1,841.4	1,683.5	12,432.4	10,997.0	12,582.0	11,140.0	98.8%	98.7%
Capital Improvements								
Funded by General Fund	—	—	337.2	327.3	337.2	327.3	100.0%	100.0%
Debt Service	36.3	18.9	192.4	111.8	192.4	118.5	100.0%	94.3%
	1,877.7	1,702.4	12,962.0	11,436.1	13,111.6	11,585.8	98.9%	98.7%
Capital Improvements								
Funded by Bond Proceeds	—	—	450.0	450.0	450.0	450.0	100.0%	100.0%
Total Expenditures	\$ 1,877.7	\$ 1,702.4	\$ 13,412.0	\$ 11,886.1	\$ 13,561.6	\$ 12,035.8	98.9%	98.8%

[*] In disclosing the detail appropriation expenditures of 98 agencies/entities rounded to the millions of dollars, the "Rounding" category allows the most accurate presentation of individual agency and major General Fund category amounts.

June 30, 1999



June 30, 1999



**SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE - BUDGETARY BASIS
HIGHWAY FUND**

June 30, 1999

(Expressed in Millions)

<u>Assets</u>		<u>Liabilities and Fund Balance</u>	
Deposits with State Treasurer :		Liabilities:	
Cash and Short-term Investments	\$ 294.9	Accounts Payable	\$ 26.2
		Contracts Payable - Retained Percentage	31.7
Accounts Receivable	67.9	Accrued Payroll	16.4
Inventory	38.5	Retainage Paid to Escrow Agents	30.9
Other Assets	134.9	FHWA - Advanced Right-of-way Revolving Fund	9.9
		Allowance for Employees' Leave	30.8
		Other Liabilities	<u>143.4</u>
		Total Liabilities	\$ 289.3
		Fund Balance:	
		Fund Balance - July 1, 1998	119.9
		Excess of Revenues Over Expenditures -	
		Twelve Months Ended June 30, 1999	<u>127.0</u>
		Total Fund Balance	<u>246.9</u>
Total Assets	<u>\$ 536.2</u>	Total Liabilities and Fund Balance	<u>\$ 536.2</u>

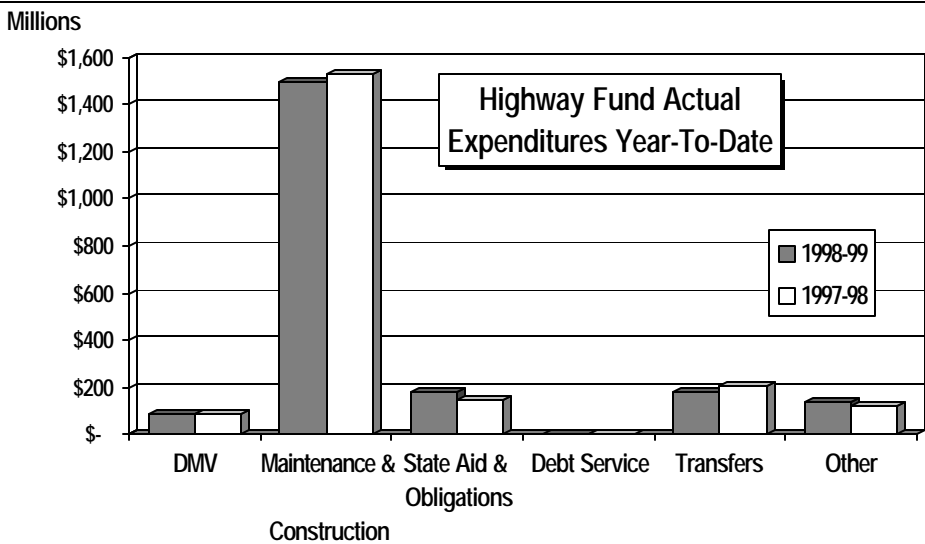
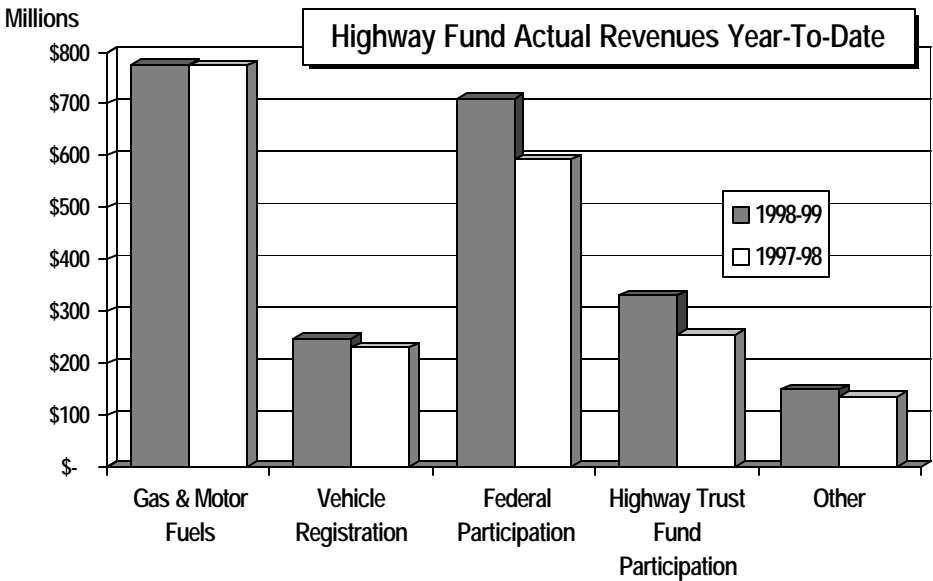
SCHEDULE OF REVENUES BY OBJECT AND EXPENDITURES BY FUNCTION

HIGHWAY FUND

For the Months of June 1999 and 1998, and the Twelve Months Ended June 30, 1999 and 1998
(Expressed in Millions)

	Month		Year-To-Date		[1] Authorized Budget		Percent of Budget Realized/Expended Year-To-Date	
	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98
Revenues:								
Gasoline Tax (\$.0025)	\$ 1.1	\$ 1.0	\$ 12.5	\$ 11.8	\$ 12.5	\$ 12.4	100.0%	95.2%
Motor Fuels Tax	64.5	64.6	\$ 762.9	\$ 762.6	779.3	760.3	97.9%	100.3%
Total Taxes	65.6	65.6	775.4	774.4	791.8	772.7	97.9%	100.2%
Motor Vehicle Registration	19.0	18.1	246.7	229.6	240.9	233.1	102.4%	98.5%
Other Fees, Licenses, Fines	8.2	9.0	92.4	97.8	99.8	95.4	92.6%	102.5%
Transfer From Highway Trust Fund	—	—	—	—	—	—	—	—
Treasurer's Investments	3.4	1.5	15.5	10.1	12.6	17.0	123.0%	59.4%
Departmental Revenues	0.5	0.3	1.0	1.1	0.8	0.6	125.0%	183.3%
Total Non-Tax	31.1	28.9	355.6	338.6	354.1	346.1	100.4%	97.8%
Total Tax and Non-Tax	96.7	94.5	1,131.0	1,113.0	1,145.9	1,118.8	98.7%	99.5%
Federal Funds Participation	75.6	75.3	710.8	592.3	1,822.6	1,567.1	39.0%	37.8%
Highway Trust Fund Participation	31.4	53.4	330.2	254.9	573.4	552.1	57.6%	46.2%
Other Participation	3.6	3.0	41.1	25.7	86.7	70.1	47.4%	36.7%
Total Other Revenues	110.6	131.7	1,082.1	872.9	2,482.7	2,189.3	43.6%	39.9%
Total Revenues	207.3	226.2	2,213.1	1,985.9	3,628.6	3,308.1	61.0%	60.0%
Expenditures:								
Administration	14.8	14.4	76.0	64.2	80.6	66.7	94.3%	96.3%
Operations	(2.0)	2.2	29.7	34.0	33.3	36.7	89.2%	92.6%
Transfers to Other State Agencies	25.4	32.2	185.4	208.8	194.2	209.5	95.5%	99.7%
Division of Motor Vehicles	8.6	7.6	92.0	85.6	97.4	91.3	94.5%	93.8%
State Highway Maintenance	53.3	97.6	449.0	539.9	568.5	625.7	79.0%	86.3%
State Highway Construction	20.5	28.5	232.6	240.6	449.5	473.8	51.7%	50.8%
Federal Aid - Highway Construction	84.1	93.7	812.7	744.6	2,582.1	2,310.7	31.5%	32.2%
State Aid and Obligations	20.8	4.7	177.9	148.8	271.9	259.3	65.4%	57.4%
Other Expenditures	7.5	6.9	30.8	26.7	66.5	52.8	46.3%	50.6%
Debt Service	—	—	—	—	—	—	—	—
Total Expenditures	233.0	287.8	2,086.1	2,093.2	4,344.0	4,126.5	48.0%	50.7%
Excess of Revenues Over/(Under) Expenditures	(25.7)	(61.6)	127.0	(107.3)	(715.4)	(818.4)		
Anticipation of Revenues :								
Cash-flow Contract	—	—	—	—	28.0	28.0		
Cash-flow Provisions - G.S. 136-176 and G.S. 143-28.1	—	—	—	—	567.6	563.2		
Beginning Balance	272.6	181.5	119.9	227.2	119.9	227.2		
Ending Balance	\$ 246.9	\$ 119.9	\$ 246.9	\$ 119.9	\$ 0.1	\$ —		

[1] Multi-year budget.



**SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE - BUDGETARY BASIS
HIGHWAY TRUST FUND**

June 30, 1999

(Expressed in Millions)

<u>Assets</u>		<u>Liabilities and Fund Balance</u>	
Deposits with State Treasurer :		Liabilities:	
Cash and Short-term Investments	\$ 690.8	Due to Highway Fund	\$ 120.8
		Due to Bond Fund	26.5
Accounts Receivable	3.9		
		Total Liabilities	<u>\$ 147.3</u>
Due from Highway Fund	99.3		
		Fund Balance:	
		Fund Balance - July 1, 1998	718.7
		Excess of Revenue Over/(Under) Expenditures -	
		Twelve Months Ended June 30, 1999	<u>(72.0)</u>
		Total Fund Balance	<u>646.7</u>
Total Assets	<u>\$ 794.0</u>	Total Liabilities and Fund Balance	<u>\$ 794.0</u>

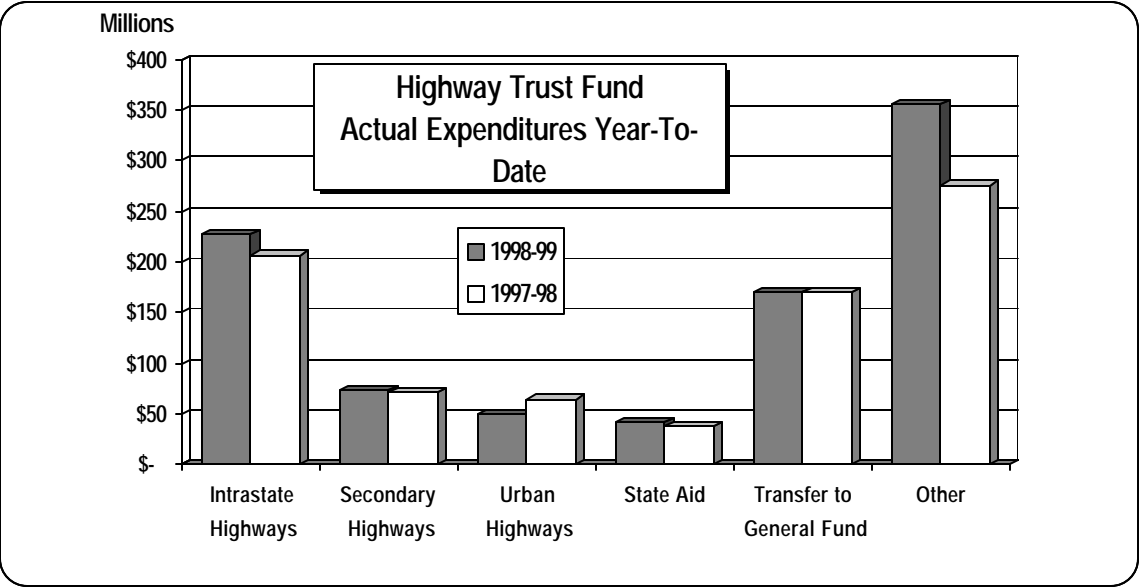
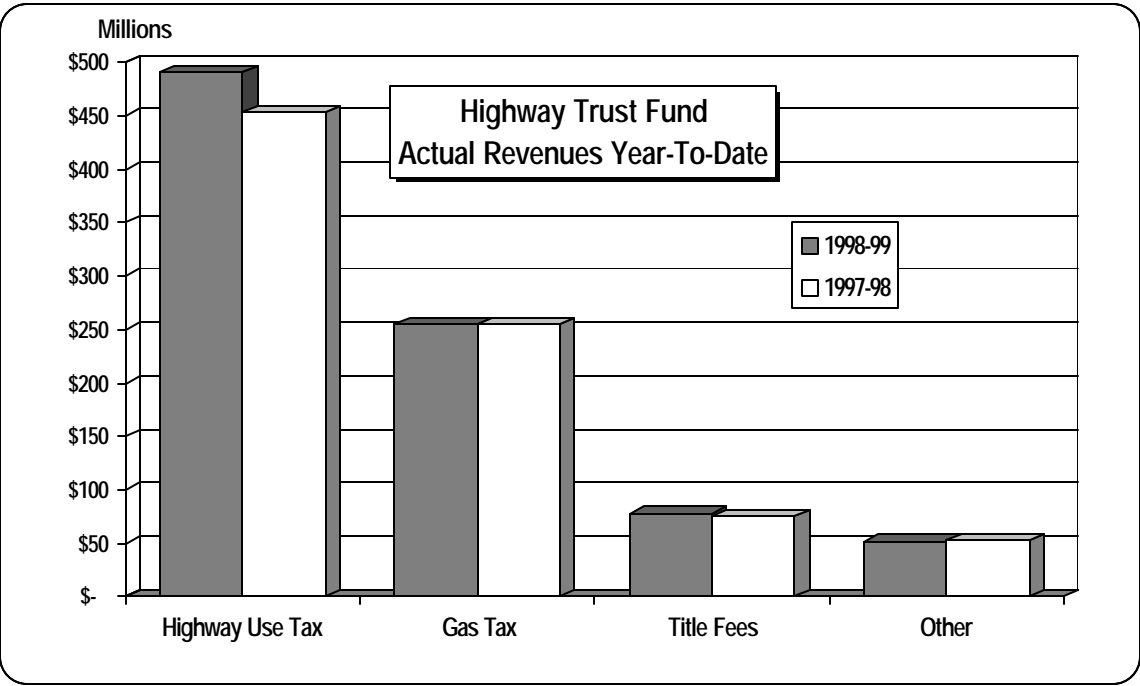
SCHEDULE OF REVENUES BY OBJECT AND EXPENDITURES BY FUNCTION HIGHWAY TRUST FUND

For the Months of June 1999 and 1998, and the Twelve Months Ended June 30, 1999 and 1998

(Expressed in Millions)

	Month		Year-To-Date		[2] Authorized Budget		Percent of Budget Realized/Expended	
	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98
Revenues:								
Highway Use Tax	\$ 53.5	\$ 52.3	\$ 489.5	\$ 453.2	\$ 457.6	\$ 437.4	107.0%	103.6%
Gasoline Tax	21.4	21.5	254.7	254.6	259.7	253.4	98.1%	100.5%
Total Taxes	74.9	73.8	744.2	707.8	717.3	690.8	103.8%	102.5%
Motor Vehicle Title Fees	7.8	7.5	78.2	75.1	78.7	73.3	99.4%	102.5%
Treasurer's Investments	6.9	9.2	39.3	40.9	31.4	28.4	125.2%	144.0%
Lien Recording	0.2	0.2	2.3	2.3	2.6	2.5	88.5%	92.0%
Miscellaneous Registration Fees	1.0	0.9	9.8	9.6	10.0	10.8	98.0%	88.9%
Transfer from Highway Fund	—	9.5	—	38.0	—	38.0	—	100.0%
Other Non-Tax	—	—	0.5	0.4	3.7	3.5	13.5%	11.4%
Total Non-Tax	15.9	27.3	130.1	166.3	126.4	156.5	102.9%	106.3%
Total Revenues	90.8	101.1	874.3	874.1	843.7	847.3	103.6%	103.2%
Expenditures:								
Program Administration	13.4	6.8	26.9	22.8	27.2	25.9	98.9%	88.0%
Intrastate Highway System	18.9	23.8	227.5	207.3	471.8	585.1	48.2%	35.4%
Secondary Highway System	7.9	8.4	72.9	71.0	112.9	123.5	64.6%	57.5%
Urban Highway System	6.3	5.4	50.4	65.4	258.4	186.4	19.5%	35.1%
State Aid-Municipalities	—	—	42.3	37.8	82.1	78.2	51.5%	48.3%
Transfer to General Fund	—	—	170.0	170.0	170.0	170.0	100.0%	100.0%
Transfer to Highway Fund	31.1	53.1	327.9	253.5	571.2	550.8	57.4%	46.0%
Debt Service	—	—	28.4	5.2	28.4	5.2	100.0%	100.0%
Total Expenditures	77.6	97.5	946.3	833.0	1,722.0	1,725.1	55.0%	48.3%
Excess of Revenues Over/(Under) Expenditures	13.2	3.6	(72.0)	41.1	(878.3)	(877.8)		
Anticipation of Revenues :								
Cash-flow Provisions - G.S. 136-176 and G.S. 143-28.1	—	—	—	—	159.6	200.2		
Beginning Balance	633.5	715.1	718.7	677.6	718.7	677.6		
Ending Balance	\$ 646.7	\$ 718.7	\$ 646.7	\$ 718.7	\$ —	\$ —		

[2] Multi-year budget.



State of North Carolina

SCHEDULE OF DEBT SERVICE REQUIREMENTS

GENERAL OBLIGATION DEBT - GENERAL FUND AND HIGHWAY FUND

For the Fiscal Year 1998-99

Issue	Description	Due Date	General Fund Principal	General Fund Interest	General Fund Discount	Highway Fund Principal	Highway Fund Interest
06/01/76	Public School Facilities, Series C.....	12/1/98	\$ 2,000,000.00	\$ 40,000.00	\$ —	\$ —	\$ —
06/01/76	Clean Water, Series C.....	12/1/98	1,000,000.00	20,000.00	—	—	—
11/01/79	Public Improvement of 1979.....	11/1/98	—	137,500.00	—	—	—
11/01/79	Public Improvement of 1979.....	5/1/99	5,000,000.00	137,500.00	—	—	—
05/01/89	Capital Improvement Series, 1989.....	11/1/98	—	—	(994,243.55)	—	—
05/01/89	Capital Improvement Series, 1989.....	5/1/99	1,910,000.00	—		—	—
03/01/91	Capital Improvement, Series A.....	9/1/98	—	982,625.00	—	—	—
03/01/91	Capital Improvement, Series A.....	3/1/99	8,300,000.00	982,625.00	—	—	—
10/01/91	Capital Improvement Series, 1991.....	10/1/98	—	697,200.00	—	—	—
10/01/91	Capital Improvement Series, 1991.....	4/1/99	6,200,000.00	697,200.00	—	—	—
03/01/92	Prison and Youth Serv. Fac., Series A.....	9/1/98	—	1,073,600.00	—	—	—
03/01/92	Prison and Youth Serv. Fac., Series A.....	3/1/99	8,800,000.00	1,073,600.00	—	—	—
10/01/93	Prison and Youth Serv. Fac., Series B.....	12/1/98	—	1,716,750.00	—	—	—
10/01/93	Prison and Youth Serv. Fac., Series B.....	6/1/99	3,600,000.00	1,716,750.00	—	—	—
10/01/93	Public Improvement Refunding, Series 1993.....	8/1/98	17,665,000.00	929,602.50	—	—	—
10/01/93	Public Improvement Refunding, Series 1993.....	2/1/99	—	602,800.00	—	—	—
10/01/93	Clean Water Refunding, Series 1993.....	12/1/98	—	242,910.00	—	—	—
10/01/93	Clean Water Refunding, Series 1993.....	6/1/99	4,130,000.00	242,910.00	—	—	—
10/15/93	Prison and Youth Services Facilities Refunding, Series C.....	9/1/98	—	1,496,030.00	—	—	—
10/15/93	Prison and Youth Services Facilities Refunding, Series C.....	3/1/99	590,000.00	1,496,030.00	—	—	—
02/01/94	Capital Improvement, Series 1994A.....	8/1/98	—	8,750,375.00	—	—	—
02/01/94	Capital Improvement, Series 1994A.....	2/1/99	7,500,000.00	8,750,375.00	—	—	—
10/01/94	Clean Water Bonds, Series 1994A.....	12/1/98	—	1,035,500.00	—	—	—
10/01/94	Clean Water Bonds, Series 1994A.....	6/1/99	2,000,000.00	344,500.00	—	—	—
11/01/94	Clean Water Bonds, Series 1994B.....	12/1/98	—	196,000.00	—	—	—
11/01/94	Clean Water Bonds, Series 1994B.....	6/1/99	4,000,000.00	196,000.00	—	—	—
06/01/95	Clean Water Bonds, Series 1995A.....	12/1/98	—	1,483,500.00	—	—	—
06/01/95	Clean Water Bonds, Series 1995A.....	6/1/99	3,000,000.00	1,483,500.00	—	—	—
07/01/95	Clean Water Bonds, Series 1995B.....	12/1/98	—	213,750.00	—	—	—
07/01/95	Clean Water Bonds, Series 1995B.....	6/1/99	5,000,000.00	213,750.00	—	—	—
01/01/97	Capital Improvement, Series 1997.....	12/1/98	—	4,861,500.00	—	—	—
01/01/97	Capital Improvement, Series 1997.....	6/1/99	3,000,000.00	4,861,500.00	—	—	—
03/01/97	Public School Building, Series 1997A.....	9/1/98	—	11,390,500.00	—	—	—
03/01/97	Public School Building, Series 1997A.....	3/1/99	8,000,000.00	11,390,500.00	—	—	—
11/01/97	Highway Bonds, Series 1997A.....	11/1/98	—	—	—	—	5,841,462.50
11/01/97	Highway Bonds, Series 1997A.....	5/1/99	—	—	—	16,675,000.00	5,841,462.50
04/01/98	Public School Building, Series 1998A.....	10/1/98	—	10,721,875.00	—	—	—
04/01/98	Public School Building, Series 1998A.....	4/1/99	16,000,000.00	10,721,875.00	—	—	—
04/01/99	Clean Water Refunding Bonds, Series 1999.....	6/1/99	500,000.00	192,460.00	—	—	—
			\$ 108,195,000.00	\$ 91,093,092.50	\$ (994,243.55)	\$ 16,675,000.00	\$ 11,682,925.00
Total Principal			\$ 124,870,000.00	Total Interest \$ 102,776,017.50			

Due Date	General Fund New Issues	General Fund Principal	General Fund Interest	General Fund Discount	Highway Fund New Issues	Highway Fund Principal	Highway Fund Interest	Outstanding, Net of Unamortized Disc.
Jul 1, 1998	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,123,943,710.08
Aug 1, 1998	—	17,665,000.00	9,679,977.50	—	—	—	—	2,106,278,710.08
Sep 1, 1998	—	—	14,942,755.00	—	—	—	—	2,106,278,710.08
Oct 1, 1998	—	—	11,419,075.00	—	—	—	—	2,106,278,710.08
Nov 1, 1998	—	—	137,500.00	—	—	—	5,841,462.50	2,106,278,710.08
Dec 1, 1998	—	3,000,000.00	9,809,910.00	—	—	—	—	2,103,278,710.08
Jan 1, 1999	—	—	—	—	—	—	—	2,103,278,710.08
Feb 1, 1999	—	7,500,000.00	9,353,175.00	—	—	—	—	2,095,778,710.08
Mar 1, 1999	—	25,690,000.00	14,942,755.00	—	—	—	—	2,070,088,710.08
Apr 1, 1999	451,905,000.00	22,200,000.00	11,419,075.00	—	—	—	—	2,499,793,710.08
May 1, 1999	—	6,910,000.00	137,500.00	(994,243.55)	—	16,675,000.00	5,841,462.50	2,477,202,953.63
Jun 1, 1999	—	25,230,000.00	9,251,370.00	—	—	—	—	2,451,972,953.63
	<u>\$ 451,905,000.00</u>	<u>\$ 108,195,000.00</u>	<u>\$ 91,093,092.50</u>	<u>\$ (994,243.55)</u>	<u>\$ —</u>	<u>\$ 16,675,000.00</u>	<u>\$ 11,682,925.00</u>	
			Total Principal	\$ 124,870,000.00				
			Total Interest	102,776,017.50				
			Total Requirements	<u>\$ 227,646,017.50</u>				